

BUILDING A FUTURE READY IOWA

Beth Townsend, Director

February 16, 2021



IOWA
WORKFORCE
DEVELOPMENT



BETH TOWNSEND

Director

APPOINTED BY GOV. REYNOLDS

Confirmed by Iowa Senate in 2019



ROD A. ROBERTS
Commissioner

Division of Labor

APPOINTED BY
GOV. REYNOLDS
Confirmed by Iowa Senate
April 2019



JOE CORTESE II
Commissioner
Workers' Compensation

APPOINTED BY GOV.
BRANSTAD
Confirmed by Iowa Senate
April 2015



RYAN WEST
Deputy Director

JOINED IWD IN
JUNE 2009



JON PEPPETTI
Chief of Staff

JOINED IWD IN
MAY 2019



MICHAEL WITT
Division Administrator
American Job Centers -
IowaWORKS



CHRISTINA STEEN
Division Administrator
Unemployment
Insurance & Labor
Market Information



BRENDA BOTEN
Division Administrator
Administrative Services



NEIL SHAH
Chief Information Officer
Division Administrator
Information Technology



MICHELLE MCNERTNEY
Division Administrator
Workforce Services



SCOTT PERKINS
Bureau Chief
Unemployment
Insurance



DAVID STEEN
General Counsel Supervisor
Legislative Liaison

Impact of Pandemic on State Workforce Agencies

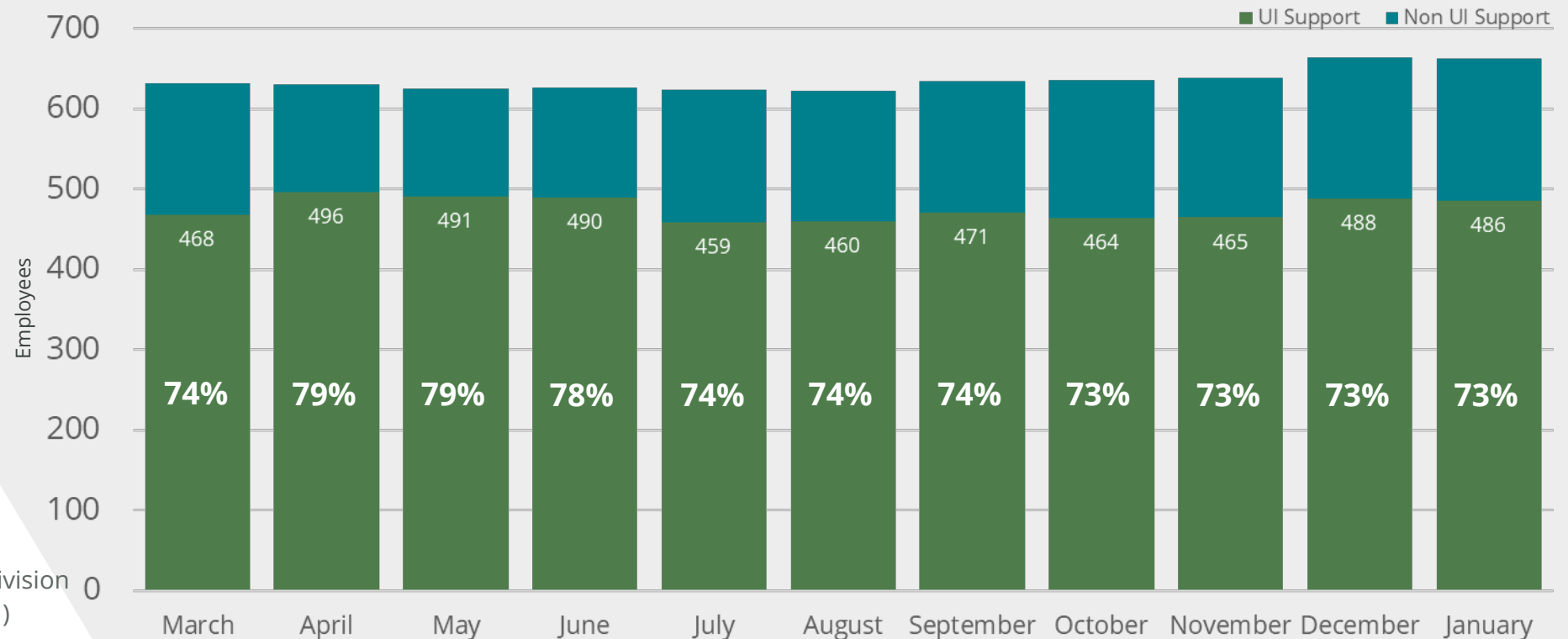
- **“State Unemployment Agencies Could Take Months To Adapt To WH Proposal, Memos Show” – National Public Radio, July 25, 2020**
- **“Underfunded, understaffed and under siege: Unemployment offices nationwide are struggling to do their jobs” – Washington Post, April 6, 2020**
- **“The ‘black hole’ of unemployment benefits: Six months into the pandemic, some are still waiting for aid” – CNBC, September 27, 2020**
- **“Coronavirus in Texas: State agency struggles with deluge of newly jobless” – Statesmen, March 25, 2020**
- **‘Too sweet of a pie’: Cybercriminals steal \$8B in Covid relief funds: States’ systems are overburdened and antiquated and have been unable to stop much of the fraud.” – Politico, October 12, 2020**

Impact of Pandemic on State Workforce Agencies

- **“Washington’s unemployment fraud may have hit \$650 million; state recovers \$333 million” – Seattle Times, June 4, 2020**
- **“California Employment Department admits paying as much as \$31 billion in unemployment funds to criminals” – ABC Channel 7 News, January 25, 2021**
- **“AUDIT: Michigan may have paid out \$1.5 billion in fraudulent unemployment claims; director reportedly said it was not a “high priority”” – Fox News 17, November 25, 2020**
- **“Consultant estimates Kansas lost \$700 million in unemployment fraud” – KWCH News, February 5, 2021**

IWD Response = All Hands on Deck

Portion of Full-Time Employees supporting the Unemployment Insurance Division



FOR COMPARISON,
IN "NORMAL" TIMES:

139 FTEs directly in support
of UI Division (2018)

145 FTEs directly in support
of UI Division (2019)

25% of entire FTE staff

NOW:

476 average number of FTEs
directly in support of UI Division
(March 2020-January 2021)

75% of entire FTE staff
(on average)

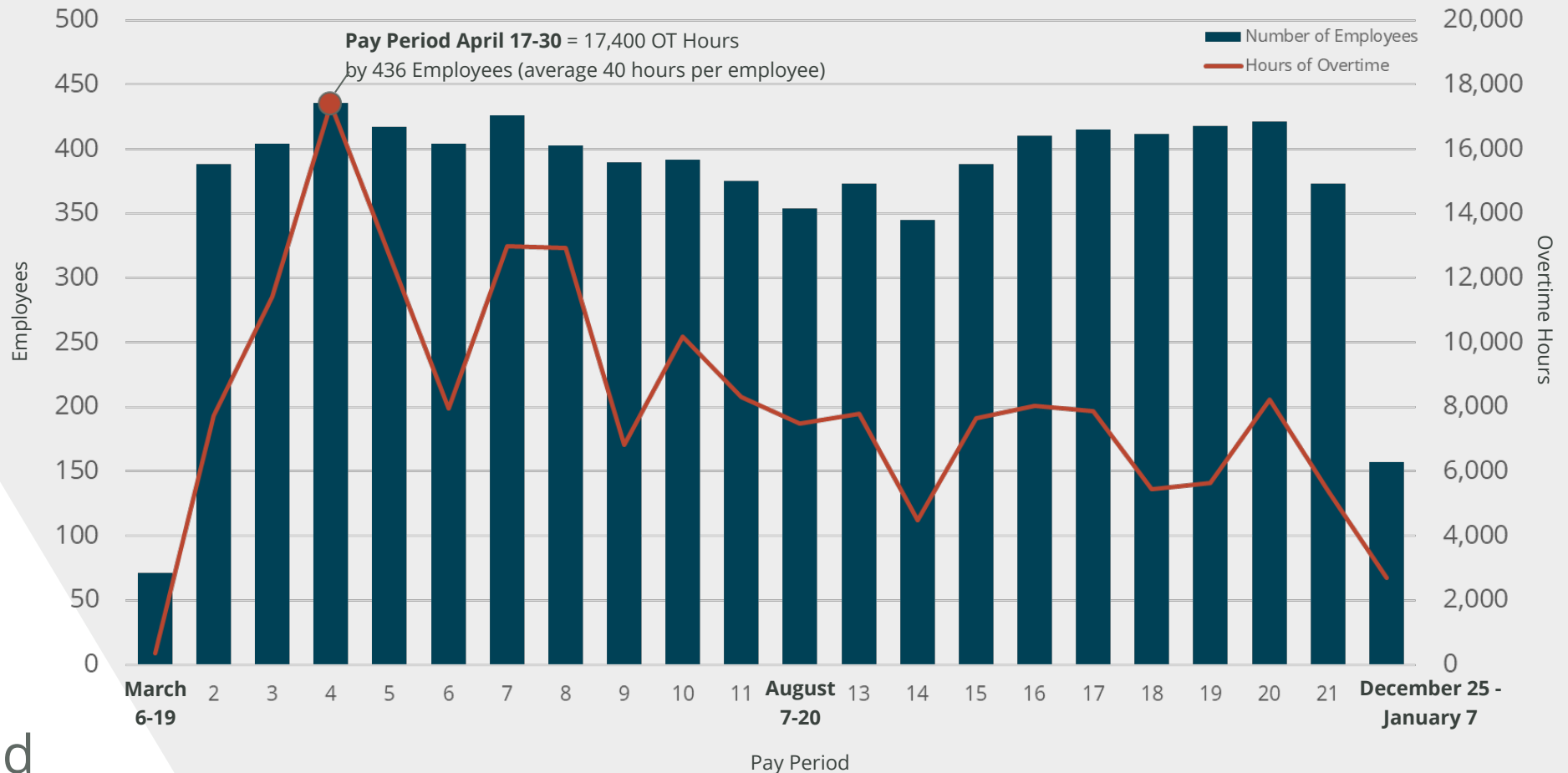
3x the percentage of FTE
staff of previous years

ADDITIONALLY:

- IWD hired 204 temp employees (88 remain)
- 6 other state agencies "loaned" a total of 59 employees

Overtime . . . More Than 20 Years of Work

Total Employees and Overtime Hours Worked per Pay Period: March 6, 2020 – January 7, 2021



179,584

Total OT Hours

8,163

Average Number
of OT Hours
(worked per pay period)

19/22

Pay Periods Included
Over 5,000 OT Hours

Customer Calls . . . Unprecedented Volume

1,587,636

Total Calls in 2020

76.7%

Overall Answer
Rate in 2020

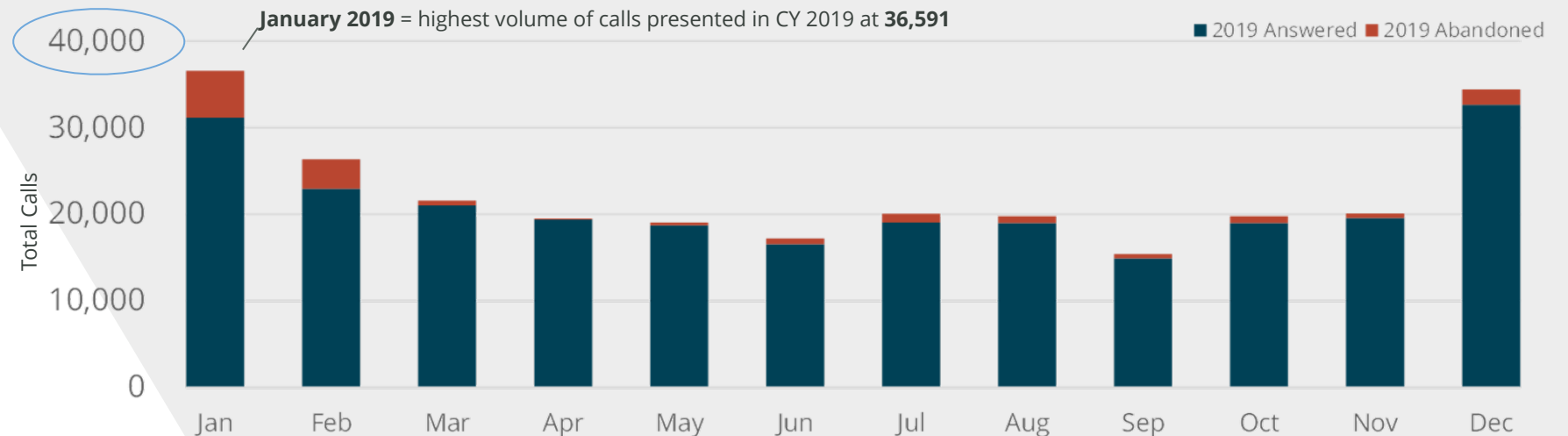
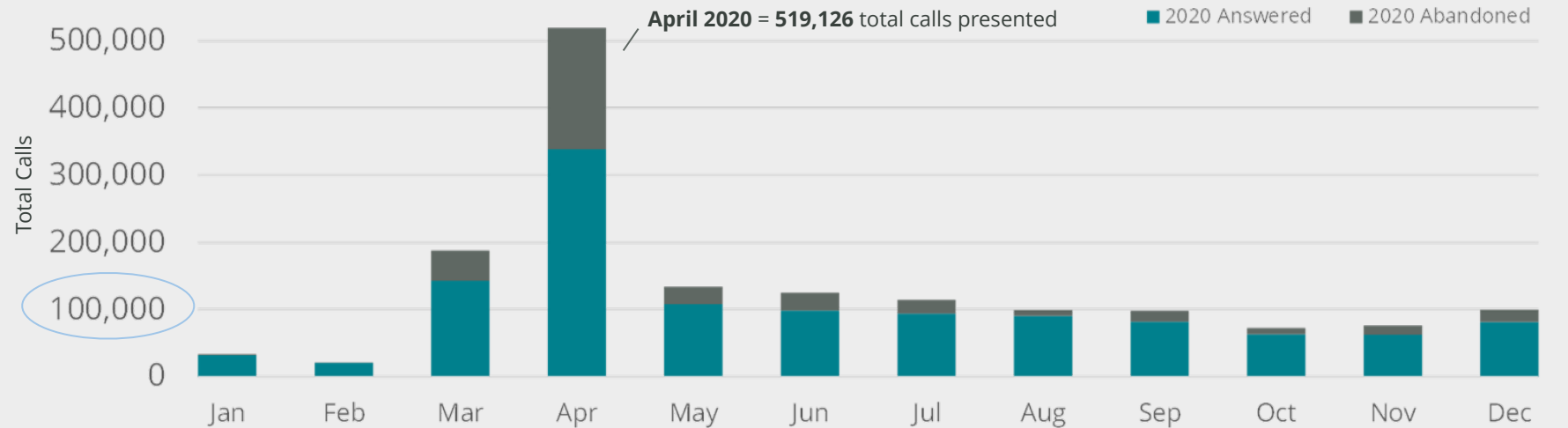
269,778

Total Calls in 2019

94.1%

Overall Answer
Rate in 2019

2020 Call Intake versus 2019 Call Intake



Website Traffic . . . Providing Customers Updates and Keeping Iowans Informed

| PERIOD | USERS | SESSIONS | PAGEVIEWS |
|--------|-----------|------------|------------|
| CY2019 | 931,692 | 2,642,835 | 5,453,657 |
| CY2020 | 4,330,105 | 14,019,700 | 31,242,250 |

- Session = every time a customer accesses the IWD website
- Pageview = number of views of an IWD webpage by a customer during a session

Managing the Flow of Information Through Proactive Communications

- New IWD Webpages = **9**
- Press releases (March 2020 - Feb. 4, 2021) = **79**
- CARES Act and UI Webinars = **19**
 - Over **210,000** combined views on IWD's YouTube Page
- Translations = CARES Act information translated into **9** additional languages (**45** pages total)

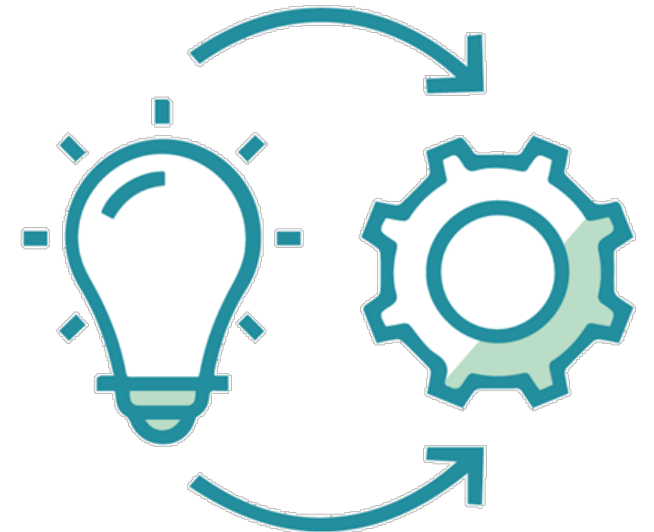
Implementing Eight New Federal Unemployment Programs in 10 Months

Iowa has consistently been among the first states in the nation to implement and issue payments under each new program

| PROGRAM | INITIAL USDOL GUIDANCE | FIRST PAYMENTS ISSUED |
|----------------------|------------------------|-----------------------|
| FPUC | 4/4/20 | 4/16/20 |
| PEUC | 4/10/20 | 5/28/20 |
| Extended Benefits | 5/14/20 | 7/21/20 |
| PUA | 4/5/20 | 4/16/20 |
| Lost Wage Assistance | 8/12/20 | 9/4/20 |
| FPUC 2 (\$300) | 1/5/21 | 1/16/21 |
| PEUC 2 | 1/4/21 | 2/16/21 |
| PIIA 2 | 1/8/21 | TBD |

12 DAYS OR LESS

To implement FPUC, PUA, and FPUC2



Regular UI Claims Processed

CY 2020 versus CY 2019

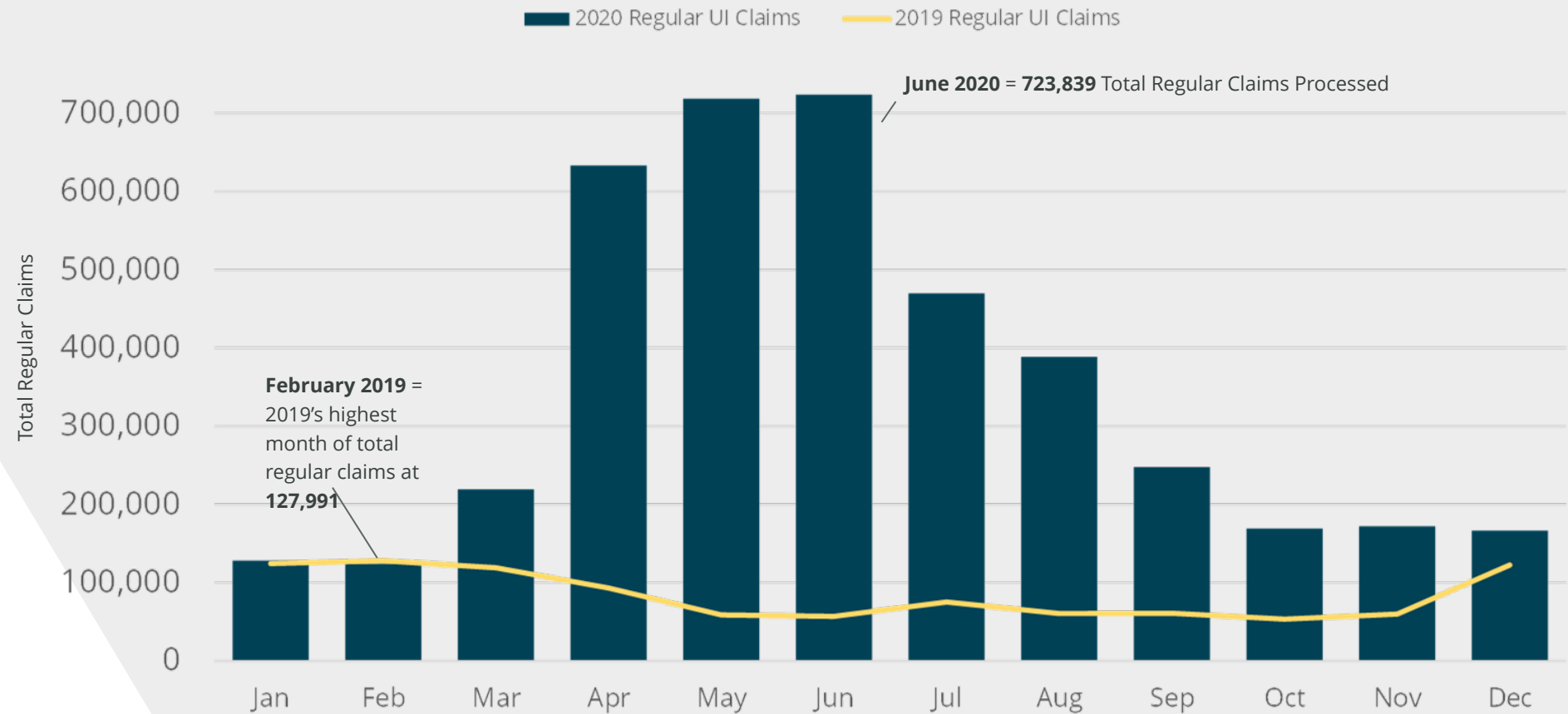
4.2 million

Regular Claims
Processed in CY
2020

COMPARED TO:

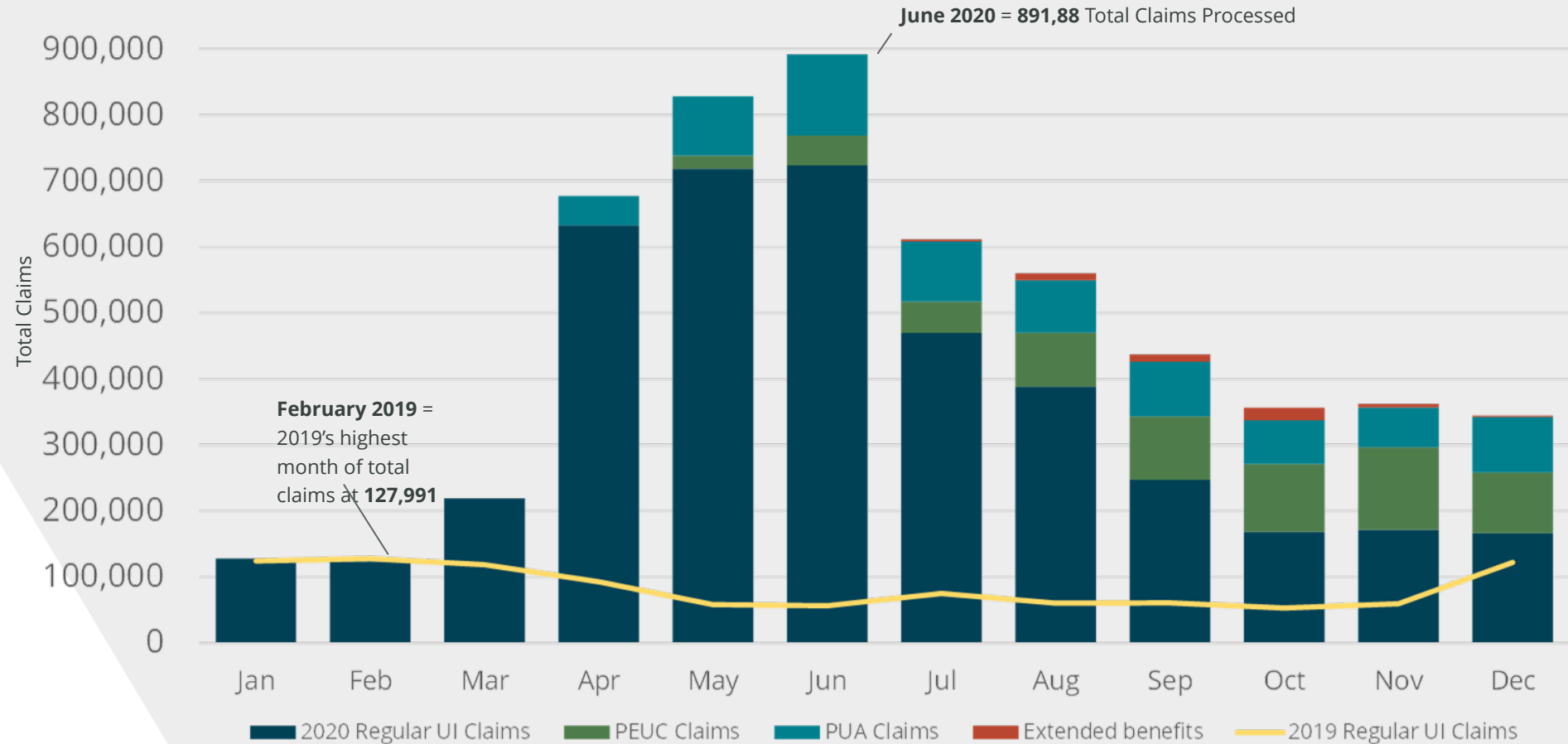
1.0 million

Regular Claims
Processed in CY
2019



Total Claims Processed

CY 2020 versus CY 2019



5.5 million

Total Claims
Processed in CY
2020

COMPARED TO:

1.0 million

Total Claims
Processed in CY
2019

Reducing Impact of Pandemic Through Timely, Correct Payments to lowans

| BENEFITS PAID | CY 2020 | CY 2019 |
|---|----------------------|------------------------|
| Regular UI Claims Total benefits paid | \$1.3 Billion | \$381.8 Million |
| Pandemic Unemployment Assistance (PUA) | \$170.1 Million | \$0 |
| Federal Pandemic Unemployment Compensation (FPUC) | \$1.5 Billion | \$0 |
| Pandemic Emergency Unemployment Compensation (PEUC) | \$183.6 Million | \$0 |
| State Extended Benefits | \$17.7 Million | \$0 |
| Sub Total | \$3.1 Billion | \$381.8 Million |
| Lost Wage Assistance | \$156.9 Million | \$0 |
| All Claims | \$3.3 Billion | \$381.8 Million |



\$2.9 Billion

Difference 2020 to 2019

Outreach . . . New Strategies for Job Seekers

Mobile Options for Job Seekers

- Over 15 very successful drive-thru job fairs to date
- Launched the IowaWORKS.gov mobile application to reach job seekers

Virtual Job Club

- Launched a weekly virtual job club in October for participants in the RESEA program and have now expanded that to all job seekers

Virtual Training Workshops

- Recorded over 20 training workshops that had been given in-person at the American Job Centers

Opportunities Through New Coronavirus Relief Fund Grants



| PROGRAM | FUNDS EXPENDED (as of Feb. 3, 2021) | NUMBER OF GRANTS | IOWANS ASSISTED (if all grants are successful) |
|--|---|---------------------|--|
| Employer Innovation Fund Grant Awards | \$4.304 Million | 63 | Over 6,000 |
| Registered Apprenticeship Incentive Grant Awards | \$6.168 Million | 69 | Over 1,000 |
| Earn and Learn Grant Awards | \$5.83 Million | 45 | Approximately 1,800 |

Implemented with federal CARES Act funding between September - December 2020

OVER \$16 MIL

in funds expended

177

grants awarded

8,800

estimated iowans
assisted

Direct Care Training Including CNA Programs

- Includes CRF funds and the EIF fund:
 - \$2,839,157 awarded to programs that include CNA certification
 - 803 estimated CNA slots
 - 9 new CNA Registered Apprenticeship Programs

RECEIPT OF UI TAXES



| PERIOD | TOTAL EMPLOYERS WITH A PAYMENT | TOTAL PAYMENTS | PAYMENT TOTALS |
|--------|--------------------------------|----------------|------------------|
| CY2019 | 50,079 | 158,981 | \$420,964,420.44 |
| CY2020 | 48,934 | 154,034 | \$416,450,129.16 |

- Payment amounts received did not drop significantly from a “normal” year to the pandemic year
- Iowa remains stable from a UI tax collections perspective

STATE TAX WITHHOLDINGS



| PERIOD | BENEFITS PAID | PAYMENT TOTALS | % of BENEFITS |
|--------|-----------------|----------------|---------------|
| CY2019 | \$381.8 Million | \$12,339,241 | 3.23% |
| CY2020 | \$3.3 Billion | \$119,401,354 | 3.62% |

A decorative graphic on the left side of the slide. It features a collage of financial-related images: a blue line graph with a white line, a 3D bar chart with blue bars, a magnifying glass over a document with charts, and a hand holding a tablet displaying various data visualizations. The graphic is composed of several overlapping geometric shapes in shades of blue, teal, and green.

FY20 Budget by Funding Source

83.06% Federal

16.94% State

Note - Federal funding does not include Federal Pandemic Assistance



2020 Special Contingency Fund Expenditures

Appropriations

Field Offices

Budget

\$1,766,084

Expenditures

Unemployment^

\$120,660

Workers Compensation*

\$226,307

IWD Administration~

\$294,691

Labor Market Information~

\$66,313

Information Technology~

\$0

Infrastructure~

\$89,562

Future Ready Iowa*

\$76,992

Home Base Iowa*

\$103,483

Total Appropriations/
Expenditures

\$2,744,092

*The program is not federally funded.

~The work being performed is not an eligible expenditure to be charged to a federal grant.

^ Dollars from the P&I fund must be spent on unemployment activities each year to keep from reverting all collections back to the Federal Government.



2021 Special Contingency Fund Expenditures - Projected

| <u>Appropriations</u> | Field Offices | <u>Budget</u> |
|-----------------------|---------------------------|--------------------|
| | | \$1,766,084 |
| <u>Expenditures</u> | Unemployment^ | \$127,594 |
| | Workers Compensation* | \$0 |
| | IWD Administration~ | \$406,698 |
| | Labor Market Information~ | \$110,483 |
| | Information Technology~ | \$75,000 |
| | Infrastructure~ | \$86,282 |
| | Future Ready Iowa* | \$62,583 |
| | Home Base Iowa* | \$320,227 |
| | Field Office Relocation+ | \$0 |

Total Appropriations/
Expenditures

\$2,954,951

*The program is not federally funded.

~The work being performed is not an eligible expenditure to be charged to a federal grant.

+ There is a shortfall in state/federal funding for work being performed.

^ Dollars from the P&I fund must be spent on unemployment activities each year to keep from reverting all collections back to the Federal Government.



Governor's Recommendations FY2022

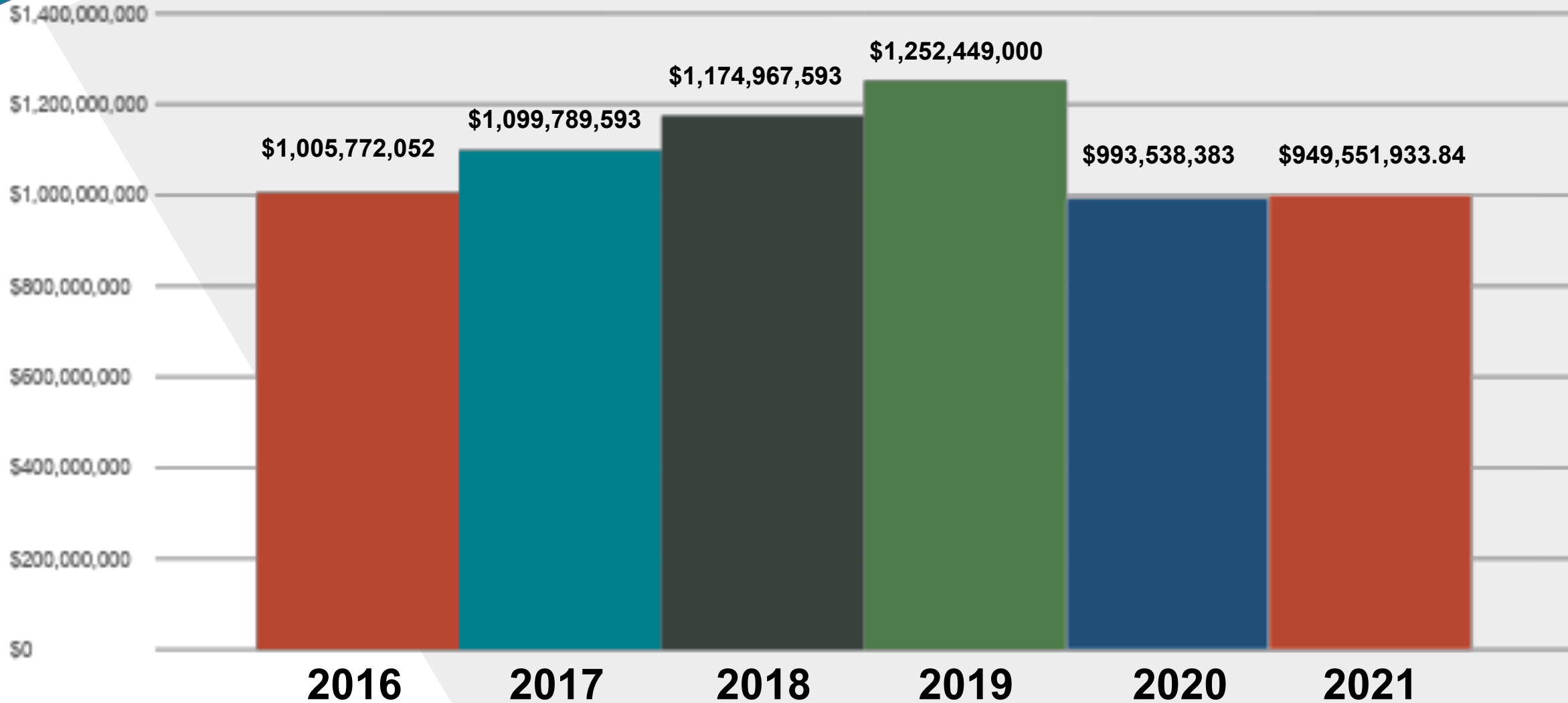
| | | |
|----------------------------|--|-------------|
| Workers' Compensation | | \$3,321,044 |
| Labor | | \$3,491,252 |
| Field Operations | | \$6,675,650 |
| Offender Re-Entry | | \$387,158 |
| Misclassification | | \$379,631 |
| Summer Youth Pilot Program | | \$250,000 |
| Home Base Iowa | | \$250,000 |
| Employer Innovation Fund | | \$4,200,000 |
| I3 State Accounting System | | \$228,822 |

Total General Fund
Appropriation:

\$19,183,557

UNEMPLOYMENT

Compensation Fund

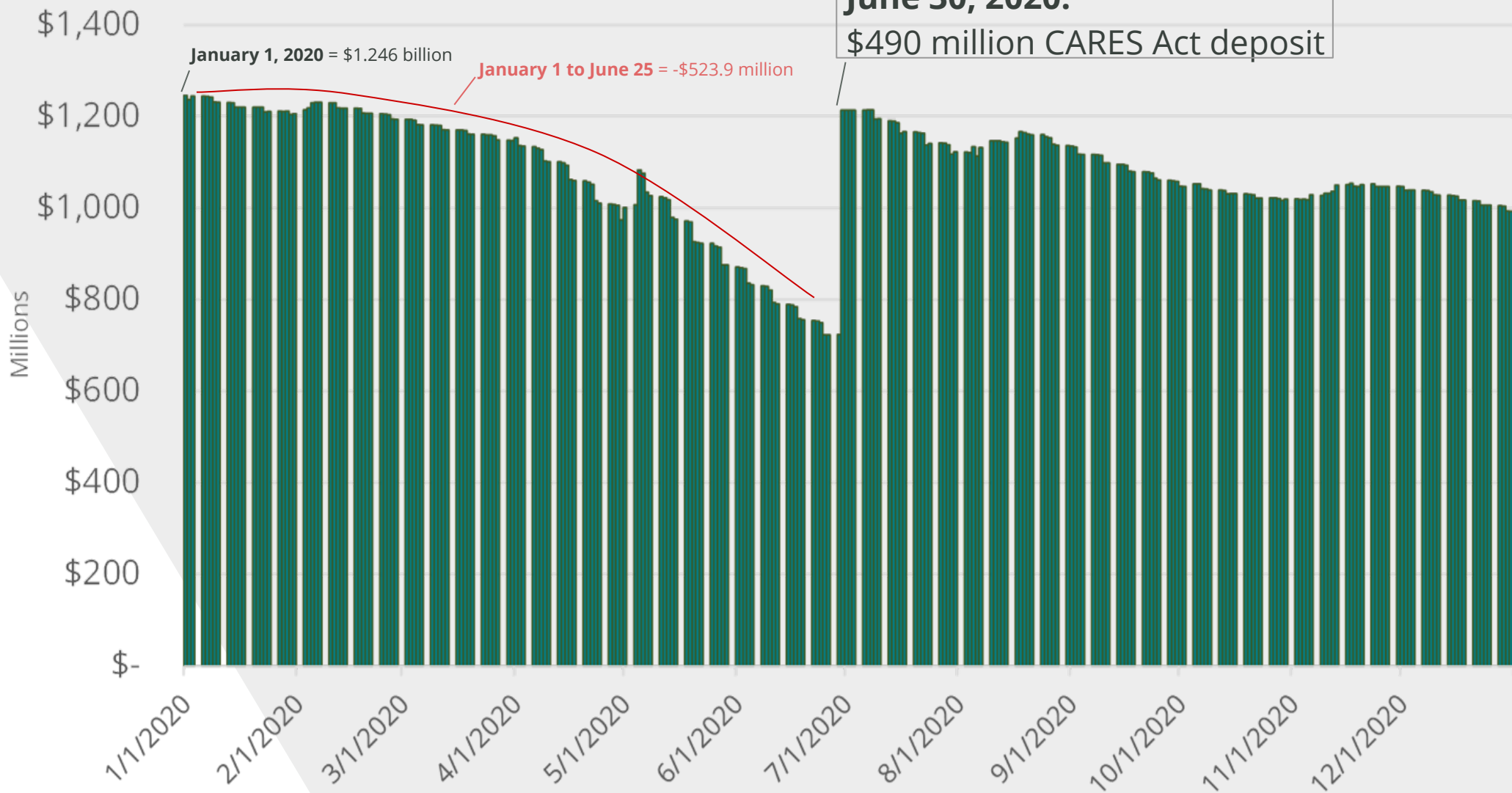


*Numbers based on Calendar Year

UNEMPLOYMENT

Trust Fund - 2020 by Month

2020 Daily UI Trust Fund Available for Benefits



\$1.2 bil

January 1

\$723.4 mil

June 25

+ \$490 mil

on June 30 to:

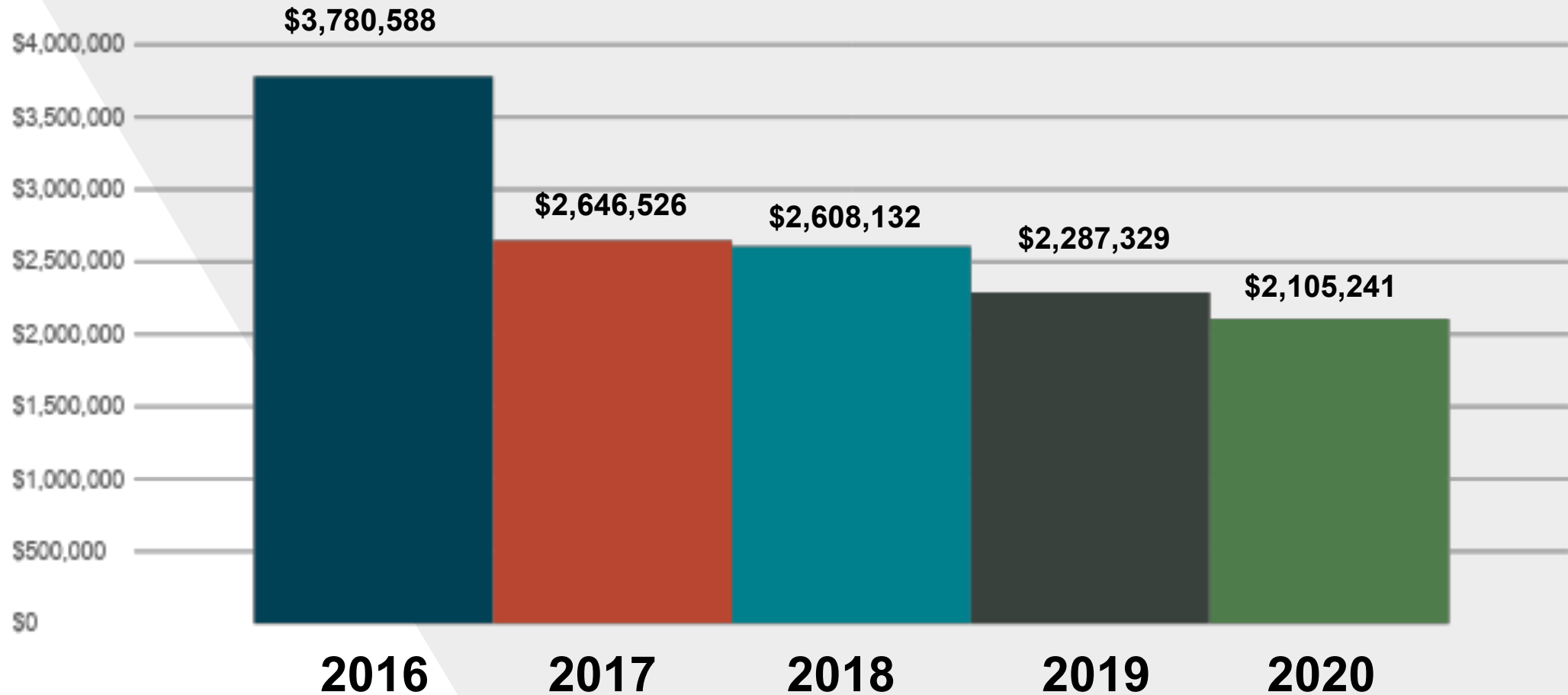
\$1.2 bil

\$993.5 mil

December 31

SPECIAL EMPLOYMENT

Security Contingency Fund



Numbers based on State Fiscal Year

NASWA 2021 State of the Workforce Report

Released February 10, 2021

Dedication

We dedicate this report to a group of unsung heroes who have worked diligently through the pandemic: state workforce agency staff. They are the boots on the ground, partners in the community, and innovators striving to assist every unemployed worker. They endeavor daily to strengthen their state's workforce and struggling economy.

In spite of the many obstacles they face - the stress of the pandemic, an inability to quickly respond to requests because of dramatic increases in workload, as well as personal threats and attacks from the very communities they serve - these workforce agency staff continue in their dedication to public service. We applaud and owe a debt of gratitude to these men and women.

Meet our Team





edylowa.gov

IOWA
WORKFORCE
DEVELOPMENT

What's Your
END GAME?
Future Ready Iowa Crew

I'M
GETTING MY
FUTURE
READY

IOWA
WORKFORCE
DEVELOPMENT

**BUILDING A FUTURE READY
WORKFORCE**